



COMMUNITY DEVELOPMENT DEPARTMENT

17555 Peak Avenue Morgan Hill CA 95037 (408) 779-7247 Fax (408) 779-7236
Website Address: www.morgan-hill.ca.gov

PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

JANUARY 24, 2006

PRESENT: Acevedo, Koepp-Baker, Benich, Davenport, Escobar, Mueller

ABSENT: None

LATE: None

STAFF: Planning Manager (PM) Rowe and Minutes Clerk Johnson

Chair Lyle called the meeting to order at 7:01 p.m., asking Commissioner Davenport to lead the flag salute.

DECLARATION OF POSTING OF AGENDA

Minutes Clerk Johnson certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

With no members of the audience indicating a wish to address matters not on the agenda, the time for public comment was closed.

MINUTES:

DECEMBER 13,
2005

THE DECEMBER 13, 2005 MINUTES WILL BE CONSIDERED AT A FUTURE MEETING.

JANUARY 10,
2006

COMMISSIONERS MUELLER/BENICH MOTIONED TO APPROVE THE JANUARY 10, 2006 MINUTES WITH THE FOLLOWING CORRECTIONS:

Page 4 paragraph 6: ~~existing~~ *existing*

Page 6, paragraph 2 (end of Resolution) **Page 2: (2) 4 3.5 BMRs**

Page 10, end - paragraph 1: (add) *SEC Creer also stated that the City cannot make changes in this location without negatively affecting downstream areas and that is not allowed.*

Page 10, paragraph 3: (insert) *PL566* excavation

Page 11, middle of page (add): **V OBTAIN** and ~~5/30/07~~ *3/30/07*

Page 13, paragraph 2: (add end of the 4th list item): rooms of adequate size are needed *for cost effective use of MHUSD personnel*

Page 14, bottom of page: (add) *Commissioners commenced discussion and resultant vote on the 'Excellence Point.'*

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 2

Page 15: (3 occurrences): ~~MC-05~~

Page 17 line 5: *probably that many allotments in FY's 07/08 & 08/09 had been reserved for downtown projects, and continuing to do that for a third year (09/10) was a concern with members of the community.*

Page 17, paragraph 4: [two instances] ~~existing~~ *existing*

Page 18, paragraph 2: (delete and restate) Commissioner Acevedo announced that in communicating with the Fair Political Practice Commission (FPPC) and the City Attorney as a result of concern considering the location of his business downtown, he had ascertained he could vote on everything except decisions involving planning matters on property within 500 of his business. Commissioner Acevedo further stated that in continued discussion(s) with the City Attorney - and who had asked that Commissioner Acevedo have the staff of FPPC communicate with City legal Officials - he would not be eligible to sit on the subcommittee either.

THE MOTION CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, LYLE, MUELLER; NOES: NONE; ABSTAIN: ESCOBAR; ABSENT: NONE.

PUBLIC HEARING:

**1) DAA-98-01: E.
DUNNE-SHAW**

The applicant is requesting an amendment to an approved PUD to allow for a shared monument sign to be located on the southeast corner of the intersection of E. Dunne Ave. and San Benancio Way.

PM Rowe presented the staff report, noting the request had originated from the applicant's concerns of sight visibility limitation for his storage facility on San Benancio Way, south of Dunne Avenue. PM Rowe explained that the mini storage site is been part of an original development that includes a daycare center to the north on property facing Dunne Avenue. To the west is a vacant parcel that allows east bound travelers on Dunne Avenue a view of the mini storage facility. Now a housing development is anticipated to the west of the site that will obstruct this view. PM Rowe told of applicant's desire to place a business identification sign at the corner of East Dunne and San Benancio on the daycare property. The applicant, PM Rowe said, presents the case that in the original PUD intent was indicated to have both businesses listed on the monument sign and that intent continues. PM Rowe explained that the applicant was not aware of the current PUD restriction limits use of the sign to the front (daycare) business. He went on to detail that typically monument signs include address information and staff believes that placing the mini storage (San Benancio address) on a sign located on Dunne Avenue could be confusing. Staff recommends the address information be eliminated. "If the Commissioners wish to approve having addresses on the sign, staff recommends a condition that the addresses on the sign be agreed to by emergency agencies," PM Rowe advised.

The Commissioners disclosed contact with the applicant, with Commissioner Koepp-Baker, advising she had driven by to observe the site, and Commissioner Benich informing he had been on the property.

Commissioner Acevedo referenced the revised Resolution, asking about the change in section 1, *not* was deleted.

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 3

Commissioner Escobar inquired as to the purpose of the business establishment at the time of the approval of the PUD in 1998.

Chair Lyle opened the public hearing.

Bill Shaw, 3 Quail Run Circle, Ste. 103, Salinas, told the Commissioners that he is the applicant and had originally come here (Morgan Hill) to develop the mini storage. Mr. Shaw indicated that he planned to soften the storage facility with having a retail establishment or day care in the front. Mr. Shaw explained that when he started the project in 1998 the thinking was that he could get visibility from Dunne with a shared sign. Mr. Shaw said that the signage being shared would not be an issue with him or with the staff at that time. However, Mr. Shaw said that as there was involvement with the details of the sign – in construction – and he tried to get the plans approved, etc. he had the request denied because there was not shared parking between the two businesses. Mr. Shaw told of having Public Works wanting a road to the location which he put in. “But with the day care we didn’t want trucks going close to the children, so we did not have shared parking,” Mr. Shaw said. He told the Commissioners that originally there had been intent to have one project – and since he owns both businesses he has made efforts to mitigate the sign as a ‘soft sign’, explaining that at night there were some landscape lighting which was planned to not be offensive to the neighbors. Mr. Shaw said he had made efforts to match the architecture of the building such as others in the area built in a PUD (example: Walgreen’s, Starbucks, Cochrane business park). Mr. Shaw, in responding to the question from Commissioner Escobar, said the intent had always been to have an office/mini storage business. He went on to tell of different types of businesses co-existing in PUDs and said that at the time of the original submission of his plans, he didn’t think there would ever be any problem about the sign, as the project had been approved already. “We are a retail business (460 storage rental units) with an average stay of three months – we picked this location to not be a warehouse, but a real retail business. We’ve been there for five years and we are good neighbors in the City,” Mr. Shaw declared. He also told of installation of underground utilities in the area, where he had put in the road, and being a member of the Chamber of Commerce for the past years.

Commissioner Escobar asked Mr. Shaw about how customers locate/find the business. Mr. Shaw indicated advertisements in the yellow pages is best for him and keeps the business name in front of people, explaining that the public has come to know where to go for the service. “We have excellent management,” Mr. Shaw stated. “It takes time to build a good reputation.”

Commissioner Acevedo asked about having the addresses on the sign since there are two different, separate street names involved. Mr. Shaw clarified he thought it would be confusing to have the addresses there.

Chair Lyle led discussion regarding a minimum size sign for the stated businesses, and asking if the applicant thought a 5-foot set back would be far enough not to interfere with traffic. Chair Lyle also inquired of the applicant how small could the sign be? Referencing the language in the proposed Resolution, Mr. Shaw said he was in agreement.

Commissioner Mueller asked how much modification of the landscaping could be anticipated. Mr. Shaw explained that the only change in the landscaping would be ‘just where the sign is – minimal changes to fit the sign in’.

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 4

With no others present indicating a wish to speak to the matter, the public hearing was closed.

Commissioner Benich said he agreed with the 'no address on the sign' proposal, as it would detract from the sign itself and is not in keeping with other signs in the City. As to the location of the sign, Commissioner Benich said that he thought it would be attractive on the corner.

Commissioner Davenport asked PM Rowe for clarification of the Municipal Code regarding an address on monument signs. PM Rowe clarified that the issue is one of concerns about emergency response abilities to the businesses. He said that it appears that for the emergency response personnel to buy in, the only option would be either addresses or nothing. Chair Lyle also spoke on the Code requirements.

Commissioner Benich indicated understanding that the Commissioners could vote to not have addresses on the sign to avoid confusion. [Planning Staff concurred the correctness of that statement.]

Commissioner Koepp-Baker referenced the sign at Walgreen's with the Starbucks business not being visible from the street. PM Rowe said this is the same consideration of signage here.

Chair Lyle asked PM Rowe about a sign in the original PUD. PM Rowe responded with explanation of the site plan which showed the proposed sign. Chair Lyle indicated favor of a smaller sign and a preference of not having addresses on the sign, so a smaller sign would be possible.

The Commissioners engaged in discussion of the Resolution in relation to size of signage and potential of requirements regarding addresses on the monument sign. Chair Lyle expressed unhappiness with the suggested 32 square foot for the sign noted in the Resolution.

COMMISSIONER ACEVEDO OFFERED RESOLUTION NO. 06-11A, RECOMMENDING CITY COUNCIL APPROVAL OF AN AMENDMENT FOR A PRECISE DEVELOPMENT PLAN TO ALLOW FOR THE SHARED USE OF A 32 SQ. FT. MONUMENT SIGN TO BE LOCATED ON THE SOUTHEAST CORNER OF THE INTERSECTION OF EAST DUNNE AVE. AND SAN BENANCIO WAY, INCLUSIVE OF THE FINDINGS AND CONDITIONS CONTAINED THEREIN AND WITH THE FOLLOWING MODIFICATIONS:

SECTION 1 ~~NOT~~

AND ADDING SECTION 5: THE RECOMMENDED SIGN AREA SHALL NOT EXCEED 32 SQUARE FEET AND THE PROPOSED ADDRESS INFORMATION SHALL BE REMOVED FROM THE BASE OF THE MONUMENT SIGN AS SHOWN ON THE SIGN PLANS.

COMMISSIONER BENICH SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, MUELLER; NOES: LYLE, who indicated preference for a smaller sign; ABSTAIN: NONE; ABSENT: NONE.

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 5

**2) DAA-03-11:
SAN PEDRO-
DICONZA**

A request to amend the development agreement for a 32-unit single family residential project located at the northeast corner of San Pedro Ave. and Butterfield Blvd. The applicant is requesting an 8-month extension on the phasing schedule for the FY 2005-2006, and a change in the process and timing of obtaining a building permit and producing the BMR unit.

PM Rowe gave the staff report, noting an amended Exhibit "B", altering the dates for Obtaining Building Permits. As he explained the items in the staff report, PM Rowe noted that the lot where the 3rd BMR unit will be placed is where the current sales trailer is. The applicant would like to pull all of the remaining units at the same time rather than having to wait until the 3rd BMR unit passes framing inspection. To this time, PM Rowe said, the BMRs in each phase must be underway (framing) to ensure units are commenced in accordance with the requirement that the final BMR must have passed the framing inspection before building permits are issued for the final phrase of project construction. Consequently, PM Rowe explained, there remains some concern with the conversion of the sales office area to a BMR unit after construction has started on the remaining market rate units. Historically, he said, the framing inspection of a BMR is a guarantee that the BMR will be completed with verification of commencement of the BMR. However, the Building Department has indicated the personnel would be put on notice of having accommodation for the BMR. "Building staff appears to be ok with the proposal," PM Rowe said. "Staff could agree, but there is some 'twinge' with the Planning Department."

Commissioner Benich asked if the staff had incorporated the case analysis/recommendation into the proposed Resolution. [yes]

Commissioner Acevedo asked for clarification: The staff report appears to say the request for extension is not the fault of the applicant – but points a finger back to the City regarding the completion of plans inspection(s). Discussion ensued regarding the topic of plan inspections.

PM Rowe recalled to the Commissioners that Mr. DiConza had given testimony at a previous meeting whereby he stated he didn't think that because the plan inspections were not 'completed timely' he should not have to go to the expense and extra time for an extension request. PM Rowe explained that the City is exploring how administratively different methods of dealing with such issues could be better facilitated. "Mr. DiConza has not been the only one to say the requirement of final framing of the final BMR creates difficulties. The developers have repeatedly asked and explained that if they had the ability to do multiple foundations, etc., at the same time, the projects would be completed more efficiently," PM Rowe said.

Commissioner Benich asked if Mr. DiConza had been pulling permits timely. [yes]

Chair Lyle opened the public hearing.

The applicant, Joe DiConza, 17310 Hendry Drive, was present to speak with the Commissioners. Mr. DiConza addressed Commissioner Benich's inquiry by saying he did pull three permits in December 2005. Mr. DiConza said he agreed with the staff report, could 'live with it' and that it 'works fine'. He explained the issue that needs to be

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 6

addressed is being able to pull all the building permits at the same time. Mr. DiConza reminded that in asking for the request, it was not outside the parameters of Measure P. "According to the development schedule 'way back when' we got slowed down. We are not eight months behind; within the limits of Measure P, we are not delinquent, and only in one area have we been delayed by the process," Mr. DiConza declared. "If you look, you will see that also in the Development Agreement there is an ambiguity: (it becomes necessary) to pull permits earlier than needed."

Chair Lyle asked Mr. DiConza if there would be a problem with pulling the permits sooner than May, 2006? Mr. DiConza replied he could pull the permits by March 31, 2006. "As long I can pull them all at once, I'll be happy," he proclaimed.

With no others present to address the matter, the public hearing was closed.

Chair Lyle commented that under the 'strict letter of the law', starting construction June 30 is right, but the City Council and the Planning Commission have been trying to accelerate the projects rapidly to commencement and completion. He said that since Mr. DiConza is willing to start the entire project sooner, which would be desirable.

Mr. DiConza advised that it would indeed be great to start, but the City should be able to process the plans faster.

COMMISSIONER MUELLER OFFERED RESOLUTION 06-12, RECOMMENDING APPROVAL OF AN AMENDMENT TO AN APPROVED DEVELOPMENT AGREEMENT FOR APPLICATION DAA-03-11: SAN PEDRO – DICONZA AND FOR APPLICATION MP-02-07: CORY – SAN PEDRO PARTNERS, WITH THE FINDINGS AND CONDITIONS CONTAINED THEREIN, AND WITH MODIFICATIONS TO THE DEVELOPMENT AGREEMENT AS FOLLOWS:

Page 12 (u): ...the 23rd building permit ~~and framing inspection passed on the third unit prior to issuance of the 31st permit.~~ And building permit and framing inspections passed on the 3rd BMR unit prior to obtaining framing inspections on the 27th through the 32nd units and certificate of occupancy can not be obtained for the 27th through 32nd units until the 3rd BMR unit passes final inspection.

Page 19: exhibit "B":

**V: FY 2005-06 (5 units) ~~(15 units)~~
(3 units)
(7 units)**

**September 30, 2005
December 2, 2005
May 31, 2006**

COMMISSIONER ESCOBAR PROVIDED THE SECOND TO THE MOTION, WHICH, PASSED WITH THE UNANIMOUS AFFIRMATIVE VOTE OF ALL COMMISSIONERS PRESENT; NONE WERE ABSENT.

Responding to questions from the Commissioners, PM Rowe explained that in the future, beginning next month, resolution numbers will be omitted on those resolutions presented to the Commissioners, and given numbers in accordance with City Council numbering upon adoption by that body.

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 7

3) ZA-05-13/

DA-05-12:

SAN PEDRO-

AHMADI

A request for approval to amend the zoning to allow a Residential Planned Development (RPD), and for approval of a development agreement for a three-unit project located at the corner of the intersection of San Pedro Ave. and Cory Ln.

PM Rowe gave the staff report, advising that this Zoning Amendment would establish a precise development plan to allow modified setback for the lot 2 and lot 1 homes, a practice not currently allowed in R-2/3,500 zoning. As proposed, the units on the lots meet the R-2 setback and building height requirements for single-family attached units, with the exception of the modified setbacks on lots 1 and 2.

Commissioner Davenport asked if the intent is to have one building allocation to build one unit? PM Rowe explained that the site contains one existing dwelling. The project is adding a second unit under a one dwelling unit exemption and the third unit will be constructed with the one building allocation awarded to this project.

Chair Lyle assisted explanation by advising that the exemption doesn't count toward allocations under Measure C, but requires competition in the Micro Category.

Commissioner Mueller asked if this deals with the lot most further from San Pedro and would the single-family detached be built there? PM Rowe clarified the location of the lot, the fact that it would be an attached unit and the reason for the modified setback, adding that in essence this could be considered a three-unit townhouse. Commissioner Mueller asked if the applicant would really be able to build a duplex or modify it? PM Rowe advised that with the current insurance situation the applicant would be able to build as per the request. He explained that staff has inquired of other developers who have specified they could do so. Commissioner Mueller rejoined that if that is indeed the case, the City may need to think of what to do with the BMRs.

Chair Lyle asked why the building permit submittal was listed as July 3, 2006 instead of the traditional June 30 date. PM Rowe explained the holiday schedule sometimes alters such dates.

Chair Lyle opened the public hearing.

With no one in the audience indicating a wish to speak to the matter, the public hearing was closed.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 06-13, RECOMMENDING APPROVAL OF A RESIDENTIAL PLANNED DEVELOPMENT AND ADOPTION OF A PRECISE DEVELOPMENT PLAN FOR A 3-UNIT, SINGLE-FAMILY PROJECT LOCATED AT THE SOUTHWEST OF SAN PEDRO AVENUE AND CORY LANE, INCLUSIVE OF THE FINDINGS AND CONDITIONS CONTAINED WITHIN. COMMISSIONER ESCOBAR SECONDED THE MOTION, WHICH PASSED WITH THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

COMMISSIONER MUELLER OFFERED RESOLUTION NO. 06-14, RECOMMENDING APPROVAL OF A DEVELOPMENT AGREEMENT APPLICATION, DA-05-13: SAN PEDRO-AHMADI, AND FOR APPLICATION

MMP-04-06: SAN PEDRO-AHMADI, TOGETHER WITH THE FINDINGS AND CONDITIONS CONTAINED THEREIN, AND WITH THE FOLLOWING MODIFICATION TO (revised) EXHIBIT “B”, Page 14:

IV. BUILDING PERMIT SUBMITTAL ~~July 3, 2006~~ June 30, 2006

COMMISSIONER ESCOBAR PROVIDED THE SECOND TO THE MOTION WHICH CARRIED BY THE FOLLOWING VOTE: AYES: ACEVEDO, KOEPP-BAKER, BENICH, DAVENPORT, ESCOBAR, LYLE, MUELLER; NOES: NONE; ABSTAIN: NONE; ABSENT: NONE.

**4) TRANSFER OF
BMR
ALLOCATIONS
FOR THE
MADRONE
PLAZA
DEVELOPMENT,
MC-04-22:
JARVIS-SOUTH
VALLEY
DEVELOPERS**

PM Rowe provided an overview of the background of the initial award of a partial building allocation (64) in the Open/Market Rate Competition, with eight of the units to be BMRs and remainder to be unrestricted moderate and above moderate units. Subsequently, South Valley Developers created a joint venture with South County Housing, indicating intent of submitting a portion of the project under the Affordable Competition in this year's Measure C competition. The result was that the 95-unit condominium and townhouse development to be located south and east of the Market Rate portion of the project on an extension of Jarvis Drive, west of Butterfield Blvd. Noting the existing policy of the Commission that BMRs should be distributed evenly through a project rather than clustered in one area or located on the edges of a development, this proposal – asking for a transfer of BMR allocations to the South County Housing Project, is to be decided, not by staff, but by the Commissioners, PM Rowe advised.

PM Rowe also reported there were several factors to be considered:

- this request would involve the application of both projects
- if the transfer is allowed, then only 87 units would be needed for South County's affordable project application in the current Measure C competition
- the Commission Subcommittee, Chair Lyle and Commissioner Mueller, had met previously with Planning staff regarding how allocations might be assigned in the downtown area at the February 14 Commission meeting and this proposal could free up eight allocations for the Market Rate category
- other locations and areas might be affected in the future
- of concern: the long standing policy of the Planning Commission to scatter BMRs through project would possibly be negated here with the transfer of the BMRs to South County Housing (permitting 25% Market Rate Affordable to be considered)
- the two projects were in actuality part of the same PUD

PM Rowe reported a final issue of how the 75% affordable and the 25 % market rate would be calculated: whether the calculation would be based on a total of 95 units in the project when the BMRs were transferred and added to it *or* if it could be said that the 87 units were now affordable and the percentage based on that.

PM Rowe noted that a plan and letter had been received from Scott Schilling of South

County Developers and copies distributed to the Commissioners.

Commissioner Benich asked if - before the applicant(s) made the request were there not BMRs sprinkled throughout the main project? PM Rowe explained that was the case, but now the plan showed some variations from the original application, wherein the BMR units were distributed.

Commissioner Acevedo questioned that when the 2004 market rate project got allocations under Measure C and had received the points for the BMRs, if any adjustments would be needed with this proposal. [yes] PM Rowe explained that the two projects are in one PUD even though there now 'are two players', so 13% BMRs would still be required.

Chair Lyle requested clarification of the location of the market rate units.

Chair Lyle opened the public hearing.

Scott Schilling, 16060 Caputo Dr., addressed the Commissioners regarding:

- Measure C criteria which allows for joint ventures between non-and-for profit builders to produce affordable units
- changes in layout which would produce a high density location in much closer range of housing prices in area not wide range as in others
- this proposal would result in South County Housing having a mix of 38% low income, 32 median-income units, and 5 moderate units with deed restrictions and open market/moderate units, 25% (24 units)
- ***the current proposal places a 229-unit project with 95 of the units in one section that includes 8 BMR allocations from the 134-unit open market rate section with 3 of those units earmarked for low-income and 5 units designated median-income units***
- doing the projects in conjunction will still result in an overall project with 8 BMRs

Chair Lyle expressed concern that it sounds as if there would be a loss of BMRs in the for-profit section. Mr. Schilling responded that South County Housing would be using the BMRs so a net loss would not result. He also said that with South County Housing taking the affordable set asides, the entire combined project would have to provide 18 BMRs. Chair Lyle responded that he was having trouble understanding the proposal, which in essence says if a 95-unit project exists, 71 of the units would be affordable. Mr. Schilling responded that the BMRs would be transferred to South County Housing and therefore there would be no loss of total BMRs.

Mr. Schilling spoke on the overall project as originally proposed, with the total number of units being 256 and containing 13% low-to-median income units. "Now there will be significantly lower units than originally proposed. The City will be getting more affordable units for the residents than if doing each of the projects was done individually," Mr. Schilling explained.

Commissioner Mueller commented that he expected the whole R-3 to come in as ~~low income~~ affordable housing. Mr. Schilling replied that the whole project is anticipated to come in as median to market rate moderate.

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 10

Chair Lyle continued to question the percentages projected for the clear-cut grouping of each income group within the projects.

Commissioner Mueller asked Mr. Schilling if he were committing to bringing in units which could be considered under 'open market moderate'. Mr. Schilling referred to the established 8% moderate income rate housing. He said typically it would be anticipated that the type of unit under discussion would have a selling price of \$625,000 maximum for a row house. "We don't see selling them for more than market rate and we think the whole project will be in the open market rate moderate category with the selling prices closer in range," Mr. Schilling clarified. Responding to a question from Commissioner Mueller, Mr. Schilling said the commitment made in the last competition was for 13% moderate rate units.

Betsy McGovern, 9015 Murray Ave, Gilroy, present as a representative of South County Housing, said from the perspective of her agency, if they were to take the eight BMR allocations, then it would free up other affordable units for the downtown area.

Commissioner Mueller commented that in the South County Housing application, 8% of the allocations had been 'ear-marked' for ~~market~~ **moderate** rate, as he asked Ms. McGovern if the agency will still sell those units for that value or less? [Yes]

With no others present indicating a wish to speak to the issue, the public hearing was closed.

PM Rowe reiterated the question under discussion was whether to allow the transfer and if so, what would be the methodology for calculating BMRs on the diminished number of affordable units?

Commissioner Mueller stated that the real problem with the transfer would be that it would not meet the basic requirement to disperse BMRs throughout the project in the South Valley Developers portion of the project, which would conceivably result in less than 10% BMRs of the total. "Where we're expecting 13%, we'll be getting 10. I think this sets a terrible precedence and is not in keeping with the original intent in the requirements for partnership. And it doesn't meet the requirements the City has kept other developers to in having the BMR units spread out," Commissioner Mueller affirmed.

Commissioner Acevedo said he, too, didn't like the idea of the transfer from what originally was said. "I think there are two separate projects which competed differently and I do not like moving things about. We are approaching this slippery slope which sets a dangerous precedence. Basically, I don't like the transfer idea/concept," Commissioner Acevedo stated.

Commissioner Koepp-Baker asked about the plan for transfer of the BMRs in comparison to other projects, speculating on the looks of balance. "Will this present a 'cluster look', avoiding the spread normally required?" she queried.

Commissioner Davenport discussed the fact that this seems to be a 'distillation processes of having the possibility of leftover BMRs for a different number of motives, which might be attractive to some, but nonetheless, remains cluster. He added he was not comfortable with the proposal as presented.

Commissioner Benich concurred with the statements of Commissioner Davenport, saying he was 'not comfortable' at all with the discussion.

Commissioner Escobar indicated thinking that there would be some tradeoffs which might have merit. He said a basic concern is: "These two developers have a good history of development with the City. We may be willing to explore this matter while not balancing against encouraging other developers with different track records could forward to ask for variation. This plan could be encouraged, if looked at in total, although the BMR placement may be difficult to overcome," Commissioner Escobar said.

Chair Lyle reminded that the City Council had given some direction such plans might be brought forth, with details to be addressed later. "The issue - long term - is if the affordable units come in the open market category, where those allocations would be taken from. The affordable/BMR details have yet to be worked out, as these were two separate applications; they did not start as a joint venture. I might be more ~~tolerant~~ **tolerable** if the math was right and if the layout was different. However, as proposed for the remainder of the project, a whole section of houses will have no BMRs at all. Mr. Schilling's indication that there will be no great different of price makes the proposal more tolerant. Another concern is that we not establish precedence through findings," Chair Lyle pronounced.

AN INFORMAL STRAW VOTE INDICATED A CONSENSUS NOT TO APPROVE THE PROPOSAL AT THIS TIME.

Commissioner Mueller said this is R-3 density land and if the developers could not build fairly affordable housing in the R-3 density, there could be a 'real problem' in having the potential there of not getting moderate rate units.

The Chair was requested to reopen the public hearing.

Mr. Schilling pointed out that because the (total) project is literally a joint venture with the same HOA and same amenities it could be viewed as going through the tentative map process under Measure C, with the non-profit coming in to the for-profit with intent to build on specific sites.

Commissioners discussed with Mr. Schilling:

- ***willingness to distribute a quantity of the BMRs throughout the entire project***
- the remaining 95 affordable units
- potential benefit of transferring the BMRs to South County Housing
- 'whole project architectural continuity'
- feasibility of having South County Housing build the 8 BMRs: who would complete the work on those units
- necessity of redrawing the boundaries
- South Valley Developers obligations
- Confusion as to the number(s) of units to be finalized
- avoidance of having a six-plex look like cluster
- potential of some 'slight clustering' in the South Valley Developers project
- South County Housing's architect and the interface needed with South Valley Developers

- need for flexibility - better compromise

With no others indicating a desire to speak to the matter, the public hearing was closed.

Commissioner Acevedo indicated a need for clarification: with regard to Measures P and C scoring and not removing allocations, but forming a partnership, how would the scoring be readjusted. Other Commissioners expressed thinking of not having to do readjustments, as both projects had received maximum points, and this discussion focused only on the eight BMRs in the joint venture, resulting in the same number of points. [eight BMR units in the South Valley Developers project], with the contractor chosen by South County Housing completing the project. Commissioner Acevedo clarified that it appears this will be a true blending with the two projects and not exactly a transfer.

Commissioner Mueller spoke on the fact that South County Housing would be allowed to produce the open market units and still build the eight BMRs which might reflect more what the intent was in this density – the units (possibly multi-plexes) would be developed more than duplexes, but with the task of keeping the ‘plexes’ lower and certainly not up to six in number. Commissioner Mueller indicated a willingness to peruse such a proposal.

Chair Lyle informally polled the Commissioners, ascertaining the direction outlined by Commissioner Mueller would be ‘ok’ with most. Commissioner Benich commented it seems a good concept – once it became clear – and probably should have been considered from the beginning.

Chair Lyle again opened the public hearing.

Chair Lyle discussed with Mr. Schilling the proposed density, with Mr. Schilling responding the ‘density is about right where it is’.

PM Rowe suggested keeping the density at the terms of the initial study.

The public hearing was closed.

5) RDCS QUARTERLY REPORT

INDIVIDUALLY, THE COMMISSIONERS EXPRESSED OPINIONS THAT THE PROPOSAL DESERVED FURTHER STUDY AND DISCUSSION WITH STAFF TO INVESTIGATE THE POTENTIAL.

Quarterly review of the progress of residential projects that have been awarded building allocations under the City’s Residential Development Control System.

PM Rowe presented the quarterly review and provided the status of the progress of the building allocations residential projects.

The Commissioners and PM Rowe called attention to specific projects of interest.

Commissioner Mueller targeted discussion to the Villanova 1 San Pedro-Barton six-unit project, reporting that this item is ‘now moving well, with Habitat for Humanity having taken the allocations in conjunction with the City’. He noted this item had been the cause

PLANNING COMMISSION MEETING MINUTES

JANUARY 24, 2006

PAGE 13

of much frustration throughout the years.

COMMISSIONERS MUELLER/ESCOBAR MOTIONED TO RECOMMEND THE RDCS QUARTERLY REPORT AS PRESENTED, BY FORWARDING THE REPORT TO THE CITY COUNCIL FOR APPROVAL.

Work on the Housing Element continues.

With the Planning Commission having approved the Preliminary Allocations at the last regular meeting and the 15-day appeal ending January 25, 2006, PM Rowe reported that the Planning Division has received one appeal (MC-05-10 Shiraz) asking for reconsideration of points. On February 1, 2006, the Preliminary Allocations will be considered, along with the appeal, by the City Council. PM Rowe advised that any **ANNOUNCEMENTS:** adjustments will be reported back to the Planning Commission at the February 14, 2006 meeting when final granting of the allocations is scheduled.

ADJOURNMENT: Commissioner Escobar said the condolences received from the Commissioners and staff during his recent bereavement were greatly appreciated.

Noting there was no further business to be considered at this meeting, Chair Lyle declared adjournment at 8:45 p.m.

MINUTES PREPARED BY:

JUDI H. JOHNSON, Minutes Clerk